

1977 which so vitally affects my State. The other 50 percent of the revenues would be used by the Federal Government for national priorities.

So, in conclusion, I say to the gentleman from Nevada, you are looking out for your State. I appreciate that; I commend you for it. And I appreciate the manner in which you have approached this overall issue of mining law reform, and I accept your amendment.

Mr. Chairman, I yield back the balance of my time.

Mr. HELLER of Nevada. I want to express my appreciation to the chairman of the Natural Resources Committee, again thanking him for his respect and efforts on this particular bill and hard work, and giving me time and efforts for my comments and concerns that I shared during the committee.

I want to thank him for accepting this amendment.

Mr. RAHALL. Will the gentleman yield?

Mr. HELLER of Nevada. Yes, I will.

Mr. RAHALL. And I say I accept your amendment without soliciting a pledge for your vote on final passage.

Mr. HELLER of Nevada. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Nevada (Mr. HELLER).

The amendment was agreed to.

AMENDMENT NO. 6 OFFERED BY MR. CANNON

The CHAIRMAN. The Chair understands that amendment No. 5 will not be offered.

Therefore, it is now in order to consider amendment No. 6 printed in House Report 110-416.

Mr. CANNON. Mr. Chairman, I have an amendment at the desk.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 6 offered by Mr. CANNON:
Strike section 517.

The CHAIRMAN. Pursuant to House Resolution 780, the gentleman from Utah (Mr. CANNON) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Utah.

Mr. CANNON. Mr. Chairman, I yield myself 3 minutes.

I would like to begin by thanking the chairman of the full committee. We have worked on this bill or ideas surrounding this bill for, I think, over 10 years now. It is now on the floor. It has been done with grace and with dignity, and I appreciate the gentleman's approach.

We come from very, very different districts. About two-thirds of my State is public lands, very little of the gentleman's State is public lands. And so we differ. We have a different approach, and I think that's very appropriate, just as the gentleman pointed out with regard to Mr. HELLER and his district.

So we have differences, and we come at these things differently. And in that

context, I hope that the gentleman will consider accepting my amendment. On the other hand, our colleagues here today will recognize the importance of this amendment.

My amendment would strike section 517 of the bill before us. The amendment is necessary so common consumer products remain affordable. If section 517 is not stricken, Americans will see an increase in the cost of everyday products, such as glass, ceramics, paper, plastics, rubber, detergents, insulation, cosmetics and pharmaceuticals, to name just a few.

Section 517 deals with common varieties of industrial minerals. Unfortunately, this provision would put industrial minerals that are clearly identifiable as unique, and thus "locatable," under the mining law into this category despite existing law that has labeled them as locatable.

Industrial minerals have been classified as locatable since 1872 under the General Mining Law. These minerals were never intended to be included in the Mineral Materials Act. The Mineral Materials Act was designed to deal with bulk sales of common deposits of sand and gravel. Moving industrial minerals into the Mineral Materials Act would make it impossible for these operations to continue to extract these unique industrial minerals.

Industrial minerals should not be treated the same as rocks and sand and gravel that can be loaded in the back of a truck and hauled away. Yet section 517 would do just that. Under the Mineral Materials Act, minerals are disposed of by non-competitive processes for small quantities and by competitive bidding contracts for terms of 10 years or less. However, it can take 50 years to extract industrial minerals, and the investment for doing that tends to be in the 50 to \$100 million range.

Competitive bidding contracts of a maximum term of 10 years will remove any incentive by industrial mineral companies to research and explore for new reserves.

After spending resources to discover reserves; and if also awarded the contract, the company will not be guaranteed the necessary time to actually extract the minerals and develop the resource. This will force our mining industry to move overseas and will result in the loss of thousands of high-paying jobs here in America.

Not only will section 517 create uncertainty for mine operators but will also impose a significant administrative burden on BLM.

I urge my colleagues to support my amendment.

Mr. Chairman, I reserve the balance of my time.

Mr. RAHALL. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The gentleman from West Virginia is recognized for 5 minutes.

Mr. RAHALL. Mr. Chairman, I appreciate very much the gentleman from

Utah's concern and his deep involvement in this legislation. What worries me with his pending amendment is the myriad of unintended consequences that may occur.

In 1947, and again in 1955, Congress took out from the operation of the Mining Law of 1872 mineral materials such as sand, stone, and gravel on Federal lands and provided that they could be sold under contracts. However, a loophole was inserted into the law. Under this loophole, if the sand, stone, or gravel was an uncommon variety, it would remain under the Mining Law of 1872.

Now, determining just what an "uncommon variety" is has since cost the American taxpayers countless millions of dollars in litigation. The legislation before us today eliminates the distinction and confusion. And we would make all of these mineral materials available through sales contracts. The gentleman's amendment would strike that provision.

In essence, the gentleman's amendment would continue to allow uncommon varieties of mineral materials to be claimed under the Mining Law as revised by this legislation.

I'm not sure the sponsor of the amendment realizes what the result would be for these uncommon variety mining claims to be then subject to the bill's royalty regime and the bill's environmental standards. As such, if we adopted the gentleman's amendment, an 8 percent royalty would then be slapped on any future production from these uncommon variety claims.

Be that as it may, I oppose this amendment. First, the American people receive a return from the disposition of mineral materials through the sales contract. Moreover, this distinction between uncommon and common varieties of sand, stone, and gravel is nothing but a scam. I well recall, as does the gentleman from Oregon, our colleague, PETER DEFAZIO, the "great sand scam" at the Oregon Dunes National Recreational Area. I conducted a subcommittee hearing in Oregon on this issue. One person plastered mining claims over 780 areas of the recreation area where the hearing was held claiming the sand was uncommon. As I recall, his contention was that it had unique silica virtues for making glass. He then demanded \$11 million from the Federal Government to buy him out.

I well recall the "stone-washed jeans scam," where this guy located mining claims for pumice in a wild scenic river in New Mexico. He claimed that the pumice was an uncommon variety because you could produce stone-washed jeans with it. Give me a break. I think the gentleman gets the idea.

And just because some special interests lobbyists got this loophole inserted into Federal law in 1955 does not mean it should be condoned today. I view it as a scam, a rip-off. I urge defeat of this amendment.

Mr. Chairman, I reserve the balance of my time.